

**CITY OF LIBERTY LAKE
SPOKANE COUNTY, WASHINGTON
ORDINANCE NO. 15**

**AN ORDINANCE OF THE CITY OF LIBERTY LAKE, WASHINGTON, IMPOSING A
(FIRST) ONE-QUARTER PERCENT EXCISE TAX ON REAL ESTATE SALES,
IMPOSING RESTRICTIONS ON USE OF THE TAX, PROVIDING FOR
COLLECTION AND REFUNDS; AND ESTABLISHING A SPECIAL FUND.**

WHEREAS, state law authorizes the imposition of certain taxes upon real estate transactions occurring within the City; and,

WHEREAS, RCW 82.46.010 provides that revenues generated by real estate excise taxes in cities with a population of 5,000 or less are required to use the revenue for any capital purpose identified in a capital improvement plan and to local capital improvements, including those listed in RCW 35.43.040; and,

WHEREAS, to the extent collected, this tax does not result in an increase in the amount of tax paid by sellers of real property but diverts money from Spokane County to the City of Liberty Lake; and,

WHEREAS, the City, upon incorporation, has responsibilities to finance necessary capital improvements and it is therefore appropriate to impose the excise tax authorized by law to help finance these improvements.

NOW, THEREFORE, the City Council of the City of Liberty Lake, Washington, do ordain as follows:

Section 1. **One-quarter Percent Excise Tax on Real Estate Sales.**

A. **Imposition.** Pursuant to RCW 82.46.010, there is imposed an excise tax on each sale of real property constituting a taxable event as defined in Chapter 82.45 RCW, as the same now exists or may hereafter be amended. The tax imposed under this section shall be collected from persons who are taxable by the State under Chapter 82.45 RCW, as the same now exists or may hereafter be amended, and such tax shall comply with all applicable rules, regulations, laws and court decisions regarding real estate excise taxes as imposed by the State under RCW Chapters 82.45 and 82.46, as the same now exists or may hereafter be amended.

B. **Tax rate.** The rate of tax imposed by this section pursuant to RCW 82.46.010, as the

same now exists or may hereafter be amended, shall be one-quarter of one percent of the selling price of all real property upon which this tax is imposed.

C. Use of proceeds. All proceeds from the tax imposed by this section shall be placed by the City Clerk or Treasurer, or authorized designee, in the City's Capital Project Fund, with expenditures therefrom restricted solely to those uses permitted by state law, namely, for any capital purpose identified in a capital improvements plan and local capital improvements including those listed in RCW 35.43.040.

Section 2. County to Collect Payment. The County Treasurer shall collect the tax imposed by this ordinance. The County Treasurer shall place one percent of the proceeds of the taxes imposed and collected by this ordinance in the County Current Expense Fund to defray costs of collection. The remaining proceeds from City taxes imposed by this ordinance shall be distributed to the City monthly.

Section 3. Tax is Obligation of Seller. The taxes imposed by this ordinance are the obligation of the seller and may be enforced through the action of debt against the seller or in the manner prescribed for the foreclosure of mortgages.

Section 4. Tax Lien on Real Property. The taxes imposed by this ordinance and any interest or penalties thereon is a specific lien upon each piece of real property sold from the time of sale or until the tax is paid, which lien may be enforced in the manner prescribed for the foreclosure of mortgages. Resort to one course of enforcement is not an election not to pursue the other.

Section 5. Duties of County Treasurer. The taxes imposed by this ordinance shall be paid to and collected by the County Treasurer. The County Treasurer shall cause a stamp evidencing satisfaction of the lien to be affixed to the instrument of sale or conveyance prior to its recording or to the real estate excise tax affidavit in the case of used mobile home sales. A receipt issued by the County Treasurer for the payment of the tax imposed herein shall be evidence of the satisfaction of the lien imposed by this ordinance and may be recorded in the manner prescribed for recording satisfactions of mortgages. No instrument of sale or conveyance evidencing a sale subject to the tax may be accepted by the Spokane County Auditor's office for filing or recording until the tax is paid and the stamp affixed thereto. In case the tax is not due on the transfer, the instrument shall not be accepted until suitable notation of this fact is made on the instrument by the County Treasurer.

Section 6. Payment Due. The tax imposed by this ordinance shall become due and payable immediately at the time of the sale, and if not so paid within 30 days thereafter, shall bear interest at the maximum rate permitted by law from the time of sale until the date of payment.

Section 7. Refunds. If, upon written application by taxpayer to the County Treasurer for a refund, it appears that tax has been paid in excess of the amount actually due or upon a sale or other transfer declared to be exempt, such excess amount or improper payment shall be refunded by the

County Treasurer to the taxpayer; provided, that no refund shall be made unless the State has first authorized the refund of an excessive amount or an improper amount paid, unless such improper amount was paid as a result of miscalculation. Any refund made shall be withheld from the next monthly distribution to the City.

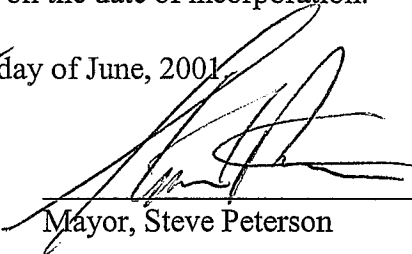
Section 8. Creation of Capital Projects Fund. There is created a special fund to be known as the "Capital Projects Fund," into which shall be deposited all proceeds of the tax imposed by Section 1 of this ordinance.

Section 9. Penalty. It is unlawful for any person to fail or refuse to pay taxes with intent to violate the provisions of this ordinance. Any person violating any provision of this ordinance shall be guilty of a misdemeanor and upon conviction thereof, punished pursuant to state law or city ordinance.

Section 10. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or unconstitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 11. Effective Date. This Ordinance shall be in full force and effect five (5) days after publication of the Ordinance Summary, and on the date of incorporation.

PASSED by the City Council this 12 day of June, 2001



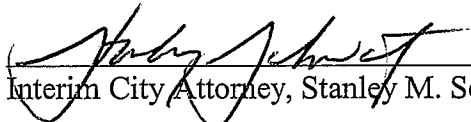
Mayor, Steve Peterson

ATTEST:



Interim City Clerk, Arlene Fisher

APPROVED AS TO FORM:



Interim City Attorney, Stanley M. Schwartz

Date of Publication: 6-20-01
Effective Date: Date of Incorporation

City of Liberty Lake
P.O. Box 370
Liberty Lake, WA 99019
(509) 755-6702

**NOTICE OF ORDINANCE PASSED
BY LIBERTY LAKE CITY COUNCIL**

The following is the title and summary of Ordinance No. 15 passed by the City of Liberty Lake City Council on the 12 day of June, 2001.

**AN ORDINANCE OF THE CITY OF LIBERTY LAKE, WASHINGTON,
IMPOSING A (FIRST) ONE-QUARTER PERCENT EXCISE TAX ON
REAL ESTATE SALES, IMPOSING RESTRICTIONS ON USE OF THE
TAX, PROVIDING FOR COLLECTION AND REFUNDS; AND
ESTABLISHING A SPECIAL FUND.**

The introductory paragraphs state this ordinance does not result in an increase of the amount of tax paid by residents and visitors to the City of Liberty Lake.

Section 1 of the Ordinance establishes a one-quarter percent excise tax on real estate sales with proceeds used for capital (infrastructure) purposes in the City of Liberty Lake.

Section 2 provides Spokane County will collect payment.

Section 3 establishes tax obligation of seller.

Section 4 provides a tax lien on real property.

Section 5 provides duties of County Treasurer.

Section 6 provides payment is due at time of sale.

Section 7 provides refunds for improper payments.

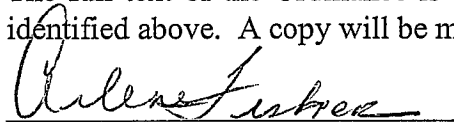
Section 8 creates capital projects fund.

Section 9 establishes a penalty.

Section 10 establishes a severability clause in the event that some portion of the Ordinance is held invalid.

Section 11 states this Ordinance shall be in full force and effect five (5) days after publication of the Ordinance Summary, and on the date of incorporation.

The full text of the Ordinance is available at the Interim City of Liberty Lake City offices as identified above. A copy will be mailed out upon request.



Arlene Fisher
Interim City Clerk

Published: 6-20-01